

Notice

27 August 1951

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SUBJECT: Call for Budget Estimates, Fiscal Year 1953

1. Purpose -- Estimates of funds required to provide for vouchered and unvouchered activities for fiscal year 1953 (1 July 1952 to 30 June 1953) should be submitted to the Comptroller by each Assistant Director and Staff Chief as soon as possible but not later than 10 September 1951. By means of these estimates in which are set forth estimated financial requirements for the programs of work proposed for the budget year, the offices of the Agency present their annual requests for funds for consideration by the Director. These estimates provide the basis upon which the Director evaluates the financial requirements of proposed programs in the light of current accomplishments and future program needs. The estimates in turn form the basis for the Agency's estimates which present to the Budget Bureau the requirements of a balanced and integrated program for the Agency as a whole. Thus, in the final analysis, the quality of the Agency estimates depends basically upon the soundness of the estimating which the offices have performed initially.
2. Policy -- Because of the general budgetary situation, every effort must be made to assure that the estimates reflect provision for the maximum utilization of personnel and materials, and that they provide for only the minimum requirements necessary to efficiently carry out program objectives.
3. Review Procedure -- Requirements for funds will be considered at informal Budget Review Committee meetings to begin on or about 17 September 1951. The purpose of the meetings is to give Assistant Directors and Staff Chiefs and/or their representatives a further opportunity to explain the effect on financial requirements of proposed changes in program plans for the budget year and to provide such additional information as may be necessary to assure full understanding of the estimate. Requirements for unvouchered funds will be submitted by the Comptroller to the Project Review Committee for consideration.
4. Form of Presentation -- The Budget estimates should be submitted in triplicate in folder binders to be provided by the Budget Division. The estimates should be prepared and submitted separately for vouchered and unvouchered funds. Estimates for unvouchered funds requirements should be presented as nearly as possible in the same manner as vouchered requirements, although substantial areas may require coverage on a project basis rather than an organizational basis. Presentation of the subject matter should be lengthwise on letter size paper with at least one inch margin on the left for binding purposes. The estimates should include the following in the order indicated:
 - a. Office Statement:
 - (1) Organization chart
 - (2) Statement of current functions and activities (Office summary)
 - (3) Statement of accomplishments and objectives (Office summary)
 - (4) Activity description (by Division, or Branch, where applicable)

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- b. Activity or project tabular statement
- c. Justification of increases and explanation of decreases
- d. Supporting data by objective class
 - (1) Office summary by object class and area
 - (2) Object class summary by division or by project where applicable
 - (3) Estimated personnel requirements, fiscal year 1953, by division
 - (4) Non-personnel service estimates, fiscal year 1953, by division

5. Office Statement -- The purpose of this section is to provide current information relative to the organization, functions, activities, and accomplishments required in review of the estimates and in the preparation of justification material for submission to the Budget Bureau.

- a. Organization Chart -- There should be submitted for each office a current organization chart depicting the organizational structure. A brief functional description should be included on the chart for each organizational unit shown. Only a single chart, covering both vouchered and unvouchered activities, should be prepared and included as a part of the vouchered budget presentation.
- b. Statement of Current Functions and Activities -- For each office there should be submitted a concise but complete statement of functions and activities. The statement should include all pertinent information that will be helpful in creating an understanding of the nature and scope of the program with special attention being given to the special factors that result in greater operational costs than would normally be expected. The statement should also clearly indicate any operating relationships with other CIA offices and other governmental agencies, including a delineation of the respective responsibilities.
- c. Statement of Accomplishments and Objectives -- This statement should be submitted by each office, highlighting in semi-outline form, accomplishments during the past year and objectives for the current budget year. The statement should include:
 - (1) Major accomplishments and significant developments during the past year;
 - (2) Actual work load data for the past year and estimate for the current and budget years, and information concerning backlogs of work, where applicable;
 - (3) New emphasis on, or shifts in, the programs of work, contemplated in the current or budget year;
 - (4) Any other information concerning significant developments during the past year, or contemplated during the current and budget years which will be valuable in appraising the fund requirements of the office.

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- d. Activity Descriptions -- For each major activity within the office a brief (one-half page) functional statement should be prepared describing the mission of the activity.
6. Activity or Project Tabular Statement (See Exhibit I) -- The Activity or Project Tabular Statement should be prepared showing a comparison of the proposed estimates for fiscal year 1953 with fiscal years 1951 and 1952 by Division or equivalent, or where applicable, by project. In addition, requirements should be classified by areas, i.e., departmental [] and foreign field. Budget analysts will consult with administrative officers as to the sequence and appropriate activity breakdown. The amounts shown for fiscal year 1951 should represent actual obligations, while the amounts for fiscal year 1952 should reflect the estimated allotment requirements as forecasted by the Budget Division in collaboration with the operating divisions.

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An increase and decrease column should be included in the statement, as illustrated on Exhibit I, showing the change proposed in fiscal year 1953 compared with fiscal year 1952. In those instances where the present authorized T/O level will be attained on only a part year basis during fiscal year 1952, additional funds will be required in fiscal year 1953 to provide for the new personnel on a full year basis. To segregate this factor in the review process from proposed new programs or program expansion in 1953, the amount required to continue planned 1952 level on a full year basis in 1953 should be reflected in a separate increase column headed "To provide on a full year basis for 30 June 1952 level of operation," as shown in Exhibit I. Where applicable, offices will be assisted by the budget analysts in the computation of this amount by comparison of the 1952 allotment for personal services with the annual cost of the present T/O after adjustment for lapse due to turnover, etc. (See Exhibit I)

It is realized that in some instances a part of the increase requested involving "other objects" may also result from the necessity of making provision on a full year basis in 1953 for costs incurred on only a part year basis in 1952. However, because of the difficulty of accurately determining such amounts due to the non-recurring nature of many such expenses, all increases involving "other objects" should be reflected in the column headed "other changes" and appropriately explained.

Other increases, or decreases, representing proposed program changes in fiscal year 1953 should be reflected in the column headed "other changes" and numbered, enclosed in parentheses, to permit ready reference to the justification material described below.

7. Justification of Increases and Decreases (See Exhibit I) -- Each justification of an increase and explanation of a decrease proposed for fiscal year 1953 in the column headed "other changes" should be numbered to correspond with the numbers following the amounts in the "other changes" column of the Function or Activity Statement.

No written explanation will be required of the amounts reflected in the column headed "to provide on a full year basis for 30 June 1952 level of operation" inasmuch as justification for the present T/O authorization was provided either in connection with the 1952 budget estimates or in conjunction with review of T/O revisions approved since submission of the 1952 Budget. Any additional explanation that may prove necessary in connection with review of the amounts will be requested specifically by the Budget Division.

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If the increase or decrease recommended under a function or activity is made up of more than a single item, the first line should state the total amount involved as follows: "The net increase (or decrease) of \$ _____ in this item for fiscal year 1953 consists of the following:" Then should follow a separate explanation for each increase or decrease introduced by a single sentence or line, to be underscored, stating the specific purpose of the increase or decrease, as shown in Exhibit I, page 1.

- a. Increases -- The justification should provide a full explanation of the need for the increase, utilizing the subject matter headings indicated and in accordance with the following outline:
- (1) Objective -- A brief and clear description of the objective of the work to be newly undertaken, continued on an expanded basis, or continued at the same level at a higher cost.
 - (2) Plan of Work -- This section should clearly indicate the manner in which it is planned to meet the objective so as to provide a basis for evaluating the proposed financial requirements.
 - (3) Financial Requirements (See Exhibit I, page 2) -- This section should provide a detailed breakdown of the increase by objects of expenditure so as to indicate the basis for the estimate in terms of personnel, equipment, travel, etc. In addition, a brief but adequate explanation should be furnished as to the basis for the amount reflected for each object. For example, estimates for equipment or supplies and materials may be broken down into component parts in order to show more adequately their composition; estimates for travel may be related to the number of employees to be in travel status, and to what extent; pertinent ratios of various objects to the amount of personal services may be stated and discussed; etc.
- b. Use of Work Load Data -- The Budget Bureau has urged the use of work measurement and unit cost analysis in the justification of estimates wherever possible. In this connection, Budget Bureau Circular No. A-11 (Section 64) states as follows:

"Although the use of statistics must be tempered by judgment, there is no more readily defended method of justifying the requirements for an accepted program of work than by the judicious use of work measurement or unit cost statistics."

Accordingly, offices are requested to give special attention to the greatest possible use of objective work measurement data in preparing justifications. Where applicable, every effort should be made to state requirements, in terms of volume of work and where possible, to relate the work load to annual performance per employee or groups of employees.

While many activities of the Agency do not lend themselves to thorough going quantitative analysis, many operations can readily be expressed in terms of work load. In some instances, offices may have developed work reporting systems for budgeting and management purposes which provide valuable data on work load and unit costs. A special review should be made of such systems to assure that any work

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data available therefrom is fully utilized in the written justifications. For those activities which do not lend themselves to workload analysis, every effort should be made to be as specific as possible in describing plans and needs and in explaining the significance, volume, and results of the work.

- c. Decreases -- Decreases will not usually require a lengthy explanation or the use of subject matter headings. A brief explanation should, however, give a clear tabulation of the non-recurring items to be eliminated or indicate the nature and location of the work completed or discontinued. (See Exhibit I, page 1)

8. Supporting Data by Objective Class -- In this section of the presentation, there should be provided, as outlined below, necessary information indicating the objective breakdown of the estimate and the basis for the amounts requested. Care should be exercised to assure that the amounts reflected in the object class statements are consistent with the amounts indicated by object class under the "Financial Requirements" section of the justifications, as well as with the appropriate total amounts shown in the "Activity or Project Tabular Statement."

- a. "Summary by Object Class" (See Exhibit II) -- The "Summary by Object Class" showing the objective class breakdown for fiscal years 1951, 1952 and 1953 should be prepared for the following:

- (1) As a total office summary, broken down by area.
- (2) For each activity or project reflected in the "Activity or Project Tabular Statement."

- b. Estimated Personnel Requirements, Fiscal Year 1953 (See Exhibit III) -- Because of personal service data currently available in the Budget Division, it will be possible to reduce the amount of detail required from the offices in connection with the 1953 estimates. As necessary information concerning the need for the presently authorized T/O was submitted in detail in connection with the 1952 Budget or in conjunction with review of T/O revisions approved since submission of the 1952 Budget, it will be necessary to secure detailed information only for the changes proposed for 1953 from the present T/O. Any additional information that may be required in connection with the present T/O will be specifically requested by the Budget Division.

Exhibit III attached indicates the manner in which any increases or decreases in the presently authorized T/O should be projected from the current base. As office staffing in most instances is below the authorized T/O level and additional personnel will be recruited during fiscal year 1952 on only a part-year basis, increased funds will be required for fiscal year 1953 to provide on a full-year basis for the staff level planned by 30 June 1952. In determining this added cost, the Budget analysts will provide each office with the man-years and cost estimated for the present T/O for fiscal year 1952 as determined in conjunction with each office in connection with the 1952 allotments. The budget analysts will also assist in the computation of the man-years and cost required to provide for the present T/O level of fiscal year 1953. The difference between the present T/O level of fiscal year 1952 and the amount of the increase required to maintain during fiscal year 1953 the level of operation to be attained in 1952. (See Exhibit III, lines 1-3)

It is recognized that several minor factors of personal services costs that must be provided for in addition to the amount reflected in the 1953 base have been omitted for the budget year requirements. These include allowance for new within-grade promotions, any additional overtime and holiday pay that may be required, and other miscellaneous personal service costs. Because of the complex factors involved in estimating for these factors, it is not believed necessary to have these costs computed by the Offices. In developing these miscellaneous personal service elements, the Budget Analyst will consult with the Office on any special problems which may arise.

- c. Non-Personal Services Estimates, Form 32-17 (See Exhibit IV) -- CIA Form 32-17 "Non-Personal Services Estimates" should be completed for the Office separately for each activity for each object, other than personal services, for which funds are requested, to provide required information as to the basis for the estimated amount for fiscal year 1953. Preparation of the form is largely self-evident. Separate series of the forms should be utilized for each non-personal service object classification and prepared separately for vouchered and unvouchered requirements. The budget analyst assigned to the Office will assist the operating officials and administrative officers in preparation and analysis of certain background information as to office requirements for the past and current years for the various object classifications of expense to be used as a basis in the preparation of budget year estimates. In addition to budget analyst assistance, it is believed that the following detail information will prove helpful in the preparation of estimates for non-personal services items:

- (1) TRAVEL - 02 -- Travel requirements shall include transportation costs, per diem or subsistence during authorized travel status, and other expenses incident to travel which are to be paid by the Agency, either directly or by reimbursement, to the traveler.
(See Appendix I)
- (a) Travel requirements shall be based on numbers of trips to be performed to specific areas and computed at rates provided by the "Schedule of Estimated Rates" and supported by justification as to purpose and need for the anticipated travel.
- (b) Offices requiring services of consultants shall include their travel requirements in the office submission.

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- (d) The "Schedule of Estimates Rates" provides travel costs including per diem and other incidental expenses based on average Agency experience. If another base is deemed more accurate for special travel requirements, the justification should also include a description and reason for use of the new base.
- (2) TRANSPORTATION OF THINGS - 03 -- Estimates for the transportation of things shall include those charges which are paid directly by the Government and not by the vendor, including charges for the care of such things while in the process of being transported. (See Appendix II)
- (a) Estimates for transportation costs for stock supplies, materials, equipment, household goods and personal effects of employees will be submitted by the office or staff section in consultation with the Administrative Services Office, Transportation Division.
 - (b) Estimates for transportation of stock materials or equipment from point of origin to Washington, D. C., will be submitted by the Procurement Office.
 - (c) Transportation estimates incident to permanent change of station should be submitted on the same basis as travel charges described in Paragraph (c)(2) under TRAVEL - 02.
- (3) COMMUNICATION SERVICES - 04 -- Estimates shall include costs of transmission of messages from place to place, such as tolls for land telegraph, marine cable, radio, wireless telegraph, and telephone services, and postage. They shall also include switchboard and service charges and telephone installation costs.
- (a) Estimates for all charges in connection with telephone service in Washington will be prepared by the Administrative Services Office.
 - (b) Estimates for telephone service in field installations will be prepared jointly by the office or staff section concerned and the Administrative Services Office and shall be submitted in the budget estimates of the former.
 - (c) Estimates for outgoing telegrams and cables from the Washington area will be prepared and submitted by the Communications Office in coordination with the operating offices. Estimates for any telegram and cable costs to be incurred in the field will be prepared and submitted by the office concerned.
 - (d) Estimates for special services such as teletype, facsimile, telecrypton, telemeter, direct wire, or tie-line service shall be prepared and justified by the office or staff section requiring such service.

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- (4) RENTS AND UTILITY SERVICES - 05 -- Estimates shall include charges for rental of structures, land or equipment and charges for utility services, such as heat, light, water, gas, etc., exclusive of transportation and communication services.
- (a) Requirements for rental of structures, land and utilities in the Washington area will be prepared jointly by the office or staff section concerned and the Administrative Services Office and shall be included in the budget submission of the latter.
 - (b) Estimates for field offices shall be presented in the submission of the requesting office in consultation with the Administrative Services Office.
 - (c) Estimates for rental on a contract basis of special equipment will be fully justified and submitted by the office or staff section concerned. The justification will include a description of the equipment, the rental cost per period and the total estimated cost for budget year.
- (5) PRINTING AND REPRODUCTION - 06 -- Includes printing and reproduction and the related composition and binding operations performed by GPO, other agencies and commercial printers, on a contractual basis.
- (a) Estimates for printing and reproduction of all standard Government forms and Agency forms procured for stock purposes will be submitted by the Procurement Division.
 - (b) Special requirements for printing and reproduction which cannot be reproduced by CIA facilities, such as printed forms, other than those mentioned in (a) above, maps, special printing work, binding of books and papers, etc. shall be set forth in detail by the using office or staff section, indicating need, type of publication or material, estimated number of items or copies, and the unit and total cost of each job.
- (6) OTHER CONTRACTUAL SERVICES - 07 -- Includes all contractual services otherwise not classified.
- (a) Estimates for repair, alteration and maintenance of structures and other fixed property in the Washington area will be submitted by the Administrative Services Division and the repair and maintenance of a standard office equipment will be submitted by the Procurement Office.
 - (b) Requirements for reimbursement to GSA for intra-agency moves will be submitted by the Administrative Services Office.

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- (d) Estimates for the repair and maintenance of non-standard agency office equipment shall be submitted by the office or staff section requiring such services.

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- (e) Estimates for additional protection service furnished by GSA in the Washington area will be prepared by the Inspection and Security Office. Special protective services required in the field will be estimated for by the office concerned.
 - (f) Requirements for research, development work, or other special services performed by other agencies or outside concerns shall be included with detailed justification of need and purpose indicating the basis upon which the estimate is predicated.
- (7) SUPPLIES AND MATERIALS - 08 -- Includes all commodities which are ordinarily consumed or expended within one year after they are put into use, which are converted in the process of construction or manufacture, or which are used to form a minor part of equipment or fixed property.
- (a) Estimates for common supplies and materials used Agency-wide in the departmental area [] procurement through the Bureau of Federal Supply will be submitted by the Procurement Office.
 - (b) Estimates for special supplies and materials peculiar to specific operations will be submitted and justified by the office or staff section having such requirements.
 - (c) Supplies and materials used [] will be budgeted by the using office or staff section.
 - (d) Except as otherwise required for operational reasons, estimates for newspapers, magazines and related publications will be prepared by the Office of Collection and Dissemination in coordination with using offices or staff sections.
- (8) EQUIPMENT - 09 -- Includes personal property of a more or less durable nature - i.e., which may be expected to have a period of service of a year or more after put into use without material impairment to its physical condition.

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- (a) Estimates for common equipment used Agency-wide in the departmental area [] procurement through the Bureau of Federal Supply will be submitted by the Procurement Office.
- (b) Estimates for operating equipment peculiar to specific operations will be submitted and justified by the office or staff section having such special requirements.
- (c) The Administrative Services Office will budget for the purchase or replacement of motor vehicles required in the departmental area. Individual offices or staff sections will budget for needs other than for the departmental area.
- (d) Except as otherwise required for operational reasons, estimates for books will be prepared by the Office of Collection and Dissemination with the assistance of using operations.

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- (9) LANDS AND STRUCTURES - 10 -- Includes land and interest in land, buildings, and other structures, additions to buildings, nonstructural improvements, and fixed equipment (whether an addition or a replacement) when acquired under contract. Estimates will be prepared and submitted by the office or staff section concerned in coordination with the Administrative Services Division.

9. A Budget Analyst has been assigned to each major Agency organizational segment. The analysts will assist offices and staff sections throughout the period of intra-agency estimate preparation. Operating officials may contact the appropriate analyst of the Budget Staff on extension

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FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

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WALTER REID WOLF

Deputy Director (Administration)

Distribution No. 2

Attachments (6)

- | | |
|-------------|--|
| Appendix I | "Schedule of Estimated Rates (Travel)" |
| Appendix II | "Schedule of Estimated Rates (Transportation of Things)" |
| Exhibit I | "Justification of Estimates" pages 1 and 2 |
| Exhibit II | "Summary by Object Class" |
| Exhibit III | "Estimated Personnel Requirements" |
| Exhibit IV | "Non-Personal Services Estimates" |

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APPENDIX I

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02 TRAVEL

Schedule of Estimated Rates

From	To	One Way	Round Trip
Washington	<u>Domestic:</u>		
	New York	\$20	\$40
"	Boston	35	65
"	South	75	150
"	East Coast	25	50
"	Mid-West	50	120
"	West Coast	175	350
	<u>Foreign:</u>		
"	South America	600	1,150
"	Europe	475	1,000
"	Middle East	700	1,400
"	Far East	1,000	2,000

Schedule includes average costs of transportation and per diem, etc.

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03 TRANSPORTATION OF THINGS

Schedule of Estimated Rates

		Unit Cost	
<u>Motor Vehicles</u>			
Crating (includes freight to POE)	Per Vehicle		\$200.00
Shipping (POE to destination)			
Europe	"		350.00
Middle East	"		600.00
South America	"		300.00
Far East	"		500.00
<u>General Cargo (Delivery to addressee)</u>			
(Administrative supplies and equipment, Communications supplies and equipment, and operational supplies and equipment)			
Europe	Per Ton		100.00
Middle East	"		100.00
South America	"		75.00
Far East	"		100.00
<u>Household Goods and Personal Effects</u>			
To POE (Based upon E.O. 10247 maximum weight reimbursement allowances: Family, 7,000 lbs; single individual, 2,500 lbs)			
350 mi.	Per		7.00
1,000 mi.	100 lbs		11.00
3,000 mi.	"		21.00
POE to destination			
Europe	Per Ton		275.00
Middle East	"		600.00
South America	"		150.00
Far East	"		700.00
<u>Air Shipments</u>			
Europe	Per lb.		1.25
Middle East	"		1.50
South America	"		1.50
Far East	"		1.75

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EXHIBIT IV

OFFICE: _____
 DIVISION: _____
 BRANCH: _____
 SECTION: _____

NON-PERSONAL
 SERVICES ESTIMATES
 Object Class _____

FOR COMPLETION BY BUDGET ANALYST

Past year
 (actual) \$ _____
 Current year
 (budget allowance) \$ _____
 Budget year
 (office estimate) \$ _____

REQUIREMENTS	AMOUNT	JUSTIFICATION

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